



Department of Commerce
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2014 Performance Evaluation Report

For HUD Funds Administered by the
Washington State Department of Commerce

September 2015

Washington State Department of Commerce 2014 Performance Evaluation Report Development Team

Washington State Department of Commerce

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For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772).

This report is also available at www.commerce.wa.gov/cdbg.

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EXECUTIVE SUMMARY

This Performance Evaluation Report (PER) describes how Washington State used its funds from the U.S. Department of Housing and Urban Development (HUD) in communities across the state during its July 1, 2014, to June 30, 2015, program year. Washington State Department of Commerce (Commerce) appreciates the opportunity to administer these funds on behalf of HUD, our partner local jurisdictions and organizations that implement the projects, and the citizens of Washington State.

HUD Funds Allocated to Commerce in 2014

HUD Formula Fund Programs	Amount
State Community Development Block Grant	\$11,195,184
Emergency Solutions Grants (ESG)	\$2,262,253
HOME Investment Partnerships (HOME)	\$5,385,665.00
Housing Opportunities for Persons With AIDS (HOPWA)	\$728,684

Part 1 of the 2014 PER provides general information on Commerce's investment of HUD funds in 2014, following HUD's new reporting requirements. Parts 2 through 6 of this document provide details about program investments, supplemented by data already reported in HUD's Integrated Disbursement Information System (IDIS).

2014 Outcomes

HUD Performance Measure	Expected Outcomes from Contracts Completed in 2014 CDBG	Actual Outcomes from Contracts Completed in 2014 CDBG	Expected Outcomes from Contracts Completed in 2014 ESG, HOME, HOPWA	Actual Outcomes from Contracts Completed in 2014 ESG, HOME, HOPWA
Decent Housing <ul style="list-style-type: none"> Availability Sustainability Affordability 	Households			
	50	0	HOME GP: 41 TBRA: 550 HOPWA: 264	HOME GP: 43 TBRA: 616 HOPWA: 162
Suitable Living Environment <ul style="list-style-type: none"> Availability/Accessibility Sustainability 	Persons			
	240,000	42,384	ESG: 3,200	ESG: 3,940
Economic Opportunity <ul style="list-style-type: none"> Availability/Accessibility Sustainability 	Jobs		N/A	N/A
	40	0		

2014 Highlights

- Commerce developed and received approval from HUD for its 2015-2019 Consolidated Plan. In conjunction, Commerce also completed its Analysis of Impediments to Fair Housing Choice.

CDBG

- The CDBG program was re-organized to locate all CDBG and Neighborhood Stabilization Program application and contract management functions and staff under a program manager.
- The CDBG program served as lead; formed state, regional, and local partnerships, and developed a Phase 1 proposal in the National Disaster Resiliency Competition. Consequently, Commerce was selected to submit Phase 2 for HUD's funding consideration.

Citizen Participation and Consultation

Commerce conducted the following outreach activities to provide internal and external stakeholders and the public the opportunity to comment on the PER:

- Sent email notices to low-income housing advocates and organizations, CDBG-eligible cities and counties, HOME consortiums, and interested others.
- Posted the draft PER on Commerce's website and made it available upon request in alternative formats.
- Distributed the draft PER to internal stakeholders in Commerce's Community Services and Housing and Local Government divisions for review.

PART 1: GENERAL NARRATIVE

Overview

Part 1 reports on Commerce's targeting and geographic distribution of available HUD resources. This Part 1 also reviews Commerce's efforts and resources used in 2014 that address priority HUD issues, including affordable housing, homelessness, continuum of care, affirmatively furthering fair housing, and citizen participation.

A. HUD Resources Invested

Commerce receives HUD funding distributed by formula under the state Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) programs. Parts 2 through 6 of this document provide details about program investments, supplemented by details already reported in HUD's Integrated Disbursement Information System (IDIS) system.

Summary of HUD Resources Invested

Program	Source of Funds	State Agency	Grantees	2014 Funding	2015 Funding
CDBG	HUD	Commerce	Units of local government/non-entitlement	\$11,671,256	\$11,195,184
ESG	HUD	Commerce	Units of local government, PHAs, nonprofits	\$2,262,253	\$2,460,585
HOME	HUD	Commerce	Units of local/tribal government, nonprofits, public housing authorities	\$5,163,188	\$5,385,665
HOPWA	HUD	Commerce	Nonprofits, PHAs, Local Governments	\$690,758	728,684
TOTAL				\$19,787,455	\$19,770,118

B. Geographic Distribution and Location of Investments

The major geographic distinction that affects the allocation of funds is between the state's major urban centers, most of which are also participating jurisdictions for HOME funding and formula jurisdictions for ESG funding, and the smaller cities and rural areas of Washington. The urban centers, especially the Seattle-Tacoma metropolitan area, have a number of strong, experienced,

non-profit housing developers and advocates. These cities have been able to raise local funding for housing and develop innovative projects and programs.

Smaller cities and rural areas face the challenge of creating and sustaining housing development and management capacity. Commerce continues to award funds to smaller cities and rural areas. Some limited amounts of funding have also been available for capacity building. Local coalitions and non-profits continue to need assistance in all stages of housing development and management.

Funding for housing development in small cities and rural areas was provided by:

- Prioritizing the allocation of HOME Tenant-Based Rental Assistance (TBRA) funds to those areas of the state that do not receive other allocations of HOME funds.
- Awarding HOME funds to construct low-income housing in one rural area in Washington.
- Using state CDBG funds to support low-income housing feasibility studies, planning, development, and rehabilitation. In addition, state CDBG funds are used in non-entitlement areas for off-site infrastructure in support of new low-income housing projects funded by the Commerce Housing Trust Fund program. Non-entitlement cities and towns are those with less than 50,000 populations or counties with less than 200,000 populations provided the cities, towns, and counties do not participate as members of HUD Urban County Consortia. The entitlement jurisdictions receive CDBG funds directly from HUD.
- Continuing to distribute ESG in areas that are not directly allocated ESG funds by HUD.
- Using 100 percent of HOPWA formula allocation funds in jurisdictions that are not part of major metropolitan areas currently receiving HOPWA allocations directly from HUD.

Aside from these funding targets, Commerce does not set aside funds for particular regions at this time. Commerce has found that open funding programs, or programs using competitive funding criteria, serve the state best by allowing each area to organize and develop those projects that meet local needs.

C. Outcome Measure Summary

Commerce's programs support HUD's statutory program goals identified in Title 1 of the Housing and Community Development Act of 1974 (as amended):

1. Decent housing
2. A suitable living environment
3. Expanded economic opportunity

Commerce originally set performance measures for 2014 in its 2010-2014 Consolidated Plan and the 2014 Action Plan in relationship to the new HUD performance measures, as shown in the table on the following pages.

The table reports outcome information on the projects funded by CDBG, HOME, HOPWA, or ESG in 2014. Other Commerce activities that contribute toward these outcomes but were funded with other state resources, such as the Housing Trust Fund, are not listed for this HUD report. Further detailed information and data on the HUD-funded 2014 projects are reported on an ongoing basis to HUD electronically through IDIS and are not duplicated in this table, such as:

- Number of persons served by activity.
- Income level of persons/households served.
- Number of housing units assisted.

HUD Performance Measure	Expected Outcomes from Contracts Completed in 2014 CDBG	Actual Outcomes from Contracts Completed in 2014 CDBG	Expected Outcomes from Contracts Completed in 2014 ESG, HOME, HOPWA	Actual Outcomes from Contracts Completed in 2014 ESG, HOME, HOPWA
Decent Housing	Households			
<ul style="list-style-type: none"> • Availability • Sustainability • Affordability 	50	0	HOME GP: 41 TBRA: 550 HOPWA: 264	HOME GP: 43 TBRA: 616 HOPWA: 162
Suitable Living Environment	Persons			
<ul style="list-style-type: none"> • Availability/Accessibility • Sustainability 	240,000	42,384	ESG: 3,200	ESG: 3,940
Economic Opportunity	Jobs		N/A	N/A
<ul style="list-style-type: none"> • Availability/Accessibility • Sustainability 	40	0		
Other Performance Measures – 2014 CDBG				
Percent of activities principally benefiting LMI persons that expended funds in 2014	Federal Requirement At least 70%		Actual 94%	
Ratio of CDBG to other funds leveraged	State Target 1:2		Actual 1:1.45	
Obligate 95% of HUD award within 15 months	Federal Requirement 100%		Actual 100%	
Number of application and grant management workshops	State Target 4		Actual 4 + conference sessions	
Projects completed on time, within scope	State Target 70%		Actual 81% (13/16)	

D. Actions Taken to Further Fair Housing

Accomplishments include:

- During the 2014 program year, Commerce completed the Analysis of Impediments to Fair Housing Choice (AI) report. As part of the public input process associated with the AI, Commerce held two public input meetings on November 13, 2014, and March 24, 2015. These meetings were designed to offer the public the opportunity to provide feedback on the initial findings of the AI. Stakeholders were invited to submit written comments at any point during the 18-month process. Commerce released and distributed announcements to stakeholders using email, web postings, and distribution lists. Commerce reviewed demographic, housing, and lending data, as well as recent AIs conducted by cities and counties in Washington State. Staff also analyzed fair housing complaints to detect potential discriminatory patterns. Lastly, staff compiled the fair housing concerns identified through public participation, data analysis, and review of public policies to assess the impediments to fair housing choice. The AI contains recommendations to the system and network of housing providers, state agencies, nonprofits, developers, and government bodies that are involved with, or tasked with, the goals of furthering fair housing.

E. Citizen Participation

Notice of the availability of the draft 2014 PER and the 15-day public comment period from September 12-26, 2015, was sent by email to interested parties on distribution lists maintained by the Community Services and Housing, and Local Government divisions and published in newspapers by September 11, 2015. The draft 2014 PER was available also on Commerce's website during the public comment period and in alternative formats upon request. The final PER will be available on Commerce's website at www.commerce.wa.gov/cdbg and in alternative formats upon request.

Outreach to Minority-Owned and Women-Owned Businesses

All HOME and CDBG contractors are required by contract to make a good faith effort to solicit bids from minority (MBE) and women (WBE) owned businesses enterprises. Applicants for HOME Program funds are required to describe the efforts they would make to encourage participation by MBE's and WBE's prior to receiving HOME funds. HOME- and CDBG-funded contractors are contractually obligated to make a reasonable effort to solicit bids from MBE's and WBE's.

PART 2: HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

Overview

This Annual Performance Report summarizes the progress made in Washington State's HOME Program during the performance period of July 1, 2014, to June 30, 2015.

Eligible activities included acquisition, moderate and substantial rehabilitation, new construction, and tenant-based rental assistance. Many of the HOME Program projects reached beyond Commerce's goal of serving families at or below 50 percent of the area median income – and served those households at or below 30 percent.

Analysis of Fund Distribution

Over \$188 million has been awarded to projects for activities identified in the state's HOME program description since the program began in Washington State. Of that \$188,336,799, \$6,741,117 was awarded during this performance period. Eligible activities include tenant-based rental assistance and new construction. The following information summarizes the activities by the HOME Program during the performance period.

Tenant-Based Rental Assistance (TBRA)

Performance Period Awards: **\$2,241,117 (including Program Income)**

Projected Households Served: **616**

Funds were awarded to 18 agencies to provide tenant-based rental assistance and security deposits during the reporting period. Eligible applicants include agencies that do not receive TBRA funding directly from HUD with few exceptions. The client-targeted groups include homeless, chronically mentally ill, and other special needs populations; and households transitioning to self-sufficiency. These activities are aligned with the state's Five Year Strategy by helping households retain existing housing or find housing that is safe, decent, and affordable.

Fair housing is an eligible activity for funding under the TBRA rules adopted by Commerce. Compliance with fair housing requirements and definitions and use of the Fair Housing logo are program requirements and are included in the monitoring instrument used by Commerce to monitor program activities.

General Purpose New Construction

Performance Period Awards: **\$4,500,000**
Projected HOME units: **31**

The awards for new construction projects (Guadalupe Haven, Devoe, and Isabella Court) during this performance period include funding from multiple fiscal years. The construction of new affordable rental units continues to be a significant aspect of the state's HOME Program. The creation of new affordable housing stock enables populations that are not well-served by the present housing stock, including large families, single non-elderly, frail elderly, and others to access affordable housing. The majority of the units assisted serve households at or below 50 percent of the area median income.

General Purpose Rental Project Inspections

A total of 55 HOME-funded rental housing projects were inspected between July 1, 2014, and June 30, 2015. The inspections included a determination of compliance with Housing Quality Standards and other applicable HOME requirements. General issues noted during the inspections included the establishment and maintenance of project operating and replacement reserves and the need to update property management plans.

General Purpose Rental Project Annual Reporting

Commerce utilizes a Web-based annual reporting system (WBARS) that allows property owners and managers to submit data for their HOME rental projects. The system satisfies program and contract reporting requirements and tracks most of the main components of project performance (operation indicators, income, expense, status of reserves, tenancy, etc.). A total of 121 HOME-funded rental projects submitted a complete 2014 Annual Report.

Program Income

A total of \$ 1,027,517.22 of program income was received between July 1, 2014, and June 30, 2015. The funds received were loan repayments from awards to prior year HOME rental housing projects. The program income was used to offset the cost of HOME-eligible activities and program administration expenses.

HOME Match Report

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 12/31/2012)

Part I Participant Identification

Match Contributions for Federal Fiscal Year (yyyy)	Amount
2010	100
2011	100
2012	100
2013	100
2014	100
2015	100
2016	100
2017	100
2018	100
2019	100
2020	100
2021	100
2022	100
2023	100
2024	100
2025	100
2026	100
2027	100
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2092	100
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2094	100
2095	100
2096	100
2097	100
2098	100
2099	100

1. Participant No. (assigned by HUD)	2. Name of the Participating Jurisdiction		3. Name of Contact (person completing this report)
5. Street Address of the Participating Jurisdiction			4. Contact's Phone Number (include area code)
6. City	7. State	8. Zip Code	

Part II Fiscal Year Summary

1. Excess match from prior Federal fiscal year	\$	
2. Match contributed during current Federal fiscal year (see Part III.9.)	\$	
3. Total match available for current Federal fiscal year (line 1 + line 2)		\$
4. Match liability for current Federal fiscal year		\$
5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)		\$

Part III Match Contribution for the Federal Fiscal Year

[illegible]

HOME FFY 2014 Disbursement And Unit Completion Data From IDIS

FFY 2014 HOME DISBURSEMENTS AND UNIT COMPLETIONS							
ACTIVITY TYPE	DISBURSED AMOUNT	UNITS COMPLETED	UNITS OCCUPIED				
Rentals	\$1,314,404.02	43	43				
TBRA	\$2,241,117.00	616	616				
Total Rentals and TBRA	\$3,555,521.02	659	659				
FFY 2014 HOME UNIT COMPLETIONS BY PERCENT OF AREA MEDIAN INCOME							
ACTIVITY TYPE	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	Reported as Vacant
Rentals	27	16	0	0	43	43	0
TBRA	560	56	0	0	616	616	0
Total Rentals and TBRA	587	72	0	0	659	659	0
Lower Income Benefit %	89%	11%	0%	0%	100%	100%	

HOME COMPLETED ACTIVITIES (All Program Years)							
	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	Reported as Vacant
RENTAL ACTIVITIES							
Units Completed	950	605	143	14	1,698	1,712	0
TBRA Families*	12,413	1,402	23	4	13,838	13,842	0
Lower Income Benefit %	85.91%	12.90%	1.07%	0.12%	99.88%	100%	
HOMEBUYER ACTIVITIES							
Units Completed	15	81	60	92	156	248	0
Lower Income Benefit	6%	32.7%	24.2%	37.1%	62.9%	100%	

HOMEOWNER ACTIVITIES							
Units Completed	1,410	791	33	13	2,234	2,247	0
Lower Income Benefit %	62.8%	35.2%	1.5%	0.6%	99.4%	100%	
TOTALS BY MEDIAN INCOME							
Units Completed	2,375	1,477	236	119	4,088	4,207	0
TBRA Families*	12,413	1,402	23	4	13,838	13,842	0
Lower Income Benefit %	81.93%	15.95 %	1.43%	0.69%	99.31%	100%	
*TBRA Families are all families reported in TBRA activities which have had funds disbursed							

Disbursement And Unit Completion Data From IDIS Table Notes**General Information**

This is information gathered from a standard pre-programmed report (C04PR16/PR23) from HUD's Integrated Disbursement and Information System (IDIS) that summarizes accomplishments under HOME. As projects are completed, information on disbursements and services by percent of area median income (household income type) are entered into the IDIS system.

Commerce uses HOME to develop and preserve multi-family rental units under the "Rentals" category.

HOME Disbursement and Unit Completions

This is a report of disbursements of HOME funds by activity and by units completed and occupied. Commerce has not located a report that will provide disbursement activity by household income type, within each activity. For example, there is no IDIS report that will indicate the amount disbursed for Rental projects that benefited those households with incomes of 0 percent to 30 percent.

HOME Unit Completions by Percent of Area Median Income

This is a report of households served in each activity area, by the percent of area median income group. For example, of the units completed and occupied in a given year in the "Rentals" line item activity, the number of households with incomes between 0-30 percent, 31-50 percent, 51-60 percent or 61-80 percent are so noted in the report.

HOME Completed Activities

This is a report of households served in the "Rentals," including Tenant Based Rental Assistance (TBRA) and homebuyer and homeowner activities, by the percent of area median income group. However, unlike the reports for "Rentals" and "Existing Homeowners," there is no separate report by program year. This table represents information reported for all program years. There is no IDIS report that will show TBRA information by program year.

HOME Unit Completions by Racial / Ethnic Category

Home Unit Completions by Racial / Ethnic Category				
	Rentals		TBRA Families	
	Units Completed	Units Completed - Hispanics	Units Completed	Units Completed - Hispanics
White	40	7	3,678	206
Black/African American	0	0	137	2
Asian	1	0	12	1
American Indian/Alaskan Native	2	0	95	5
Native Hawaiian/Other Pacific Islander	0	0	18	0
American Indian/Alaskan Native & White	0	0	7	0
Asian & White	0	0	2	0

Black/African American & White	0	0	7	0
Amer. Indian/Alaskan Native & Black/African Amer.	0	0	8	3
Other multi-racial	0	0	243	180
Total	43	7	4,207	397

	Total, Rentals and TBRA		Grand Total	
	Units Completed	Units Completed - Hispanics	Units Completed	Units Completed - Hispanics
White	3,718	213	3,718	213
Black/African American	137	2	137	2
Asian	13	1	13	1
American Indian/Alaskan Native	97	5	97	5
Native Hawaiian/Other Pacific Islander	18	0	18	0
American Indian/Alaskan Native & White	7	0	7	0
Asian & White	2	0	2	0
Black/African American & White	7	0	7	0
Amer. Indian/Alaskan Native & Black/African Amer.	8	3	8	3
Other multi-racial	243	180	243	180
Total	4,250	404	4,250	404

Economic Opportunities for Low – and Very Low-Income Persons

U.S. Department of Housing
and Urban Development
Office of Fair Housing
And Equal Opportunity

OMB Approval No: 2529-0043
(exp. 11/30/2010)

HUD Field Office:

Section back of page for Public Reporting Burden statement

1. Recipient Name & Address: (street, city, state, zip)	2. Federal Identification: (grant no.)	3. Total Amount of Award:
	4. Contact Person	5. Phone: (Include area code)
	6. Length of Grant:	7. Reporting Period:
8. Date Report Submitted:	9. Program Code: (Use separate sheet for each program code)	10. Program Name:

Part I: Employment and Training (** Columns B, C and F are mandatory fields. Include New Hires in E &F)

A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	E % of Total Staff Hours for Section 3 Employees and Trainees	F Number of Section 3 Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade (List Trade)					
Trade					
Trade					
Trade					
Trade					
Other (List)					
Total					

* Program Codes
1 = Flexible Subsidy
2 = Section 202/811

3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization

4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement

8 = CDBG State Administered
9 = Other CD Programs
10 = Other Housing Programs

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- ☐ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- ☐ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- ☐ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- ☐ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- ☐ Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

PART 3: HOUSING OPPORTUNITIES FOR PEOPLE WITH HIV/AIDS (HOPWA)

	HOPWA Performance Planned Goal and Actual	[1] Output: Households				[2] Output: Funding	
		HOPWA Assistance		Leveraged Households		HOPWA Funds	
		a.	b.	c.	d.	e.	f.
		Goal	Actual	Goal	Actual	HOPWA Budget	HOPWA Actual
	HOPWA Housing Subsidy Assistance	[1] Output: Households				[2] Output: Funding	
1.	Tenant-Based Rental Assistance	75	84			428,656	341,624
2a.	Permanent Housing Facilities: Received Operating Subsidies/Leased units (Households Served)	6	7			21,410	36,628
2b.	Transitional/Short-term Facilities: Received Operating Subsidies/Leased units (Households Served)						
3a.	Permanent Housing Facilities: Capital Development Projects placed in service during the operating year (Households Served)						
3b.	Transitional/Short-term Facilities: Capital Development Projects placed in service during the operating year (Households Served)						
4.	Short-Term Rent, Mortgage and Utility Assistance	88	71			95,410	77,959
5.	Permanent Housing Placement Services	60	59			68,897	58,608
6.	Adjustments for duplication (subtract)		7				
7.	Total HOPWA Housing Subsidy Assistance (Columns a.- d. = sum of Rows 1-5 minus Row 6; Columns e.- f. = sum of Rows 1-5)	221	214			614,373	514,819
	Housing Development (Construction and Stewardship of facility based housing)	[1] Output: Housing Units				[2] Output: Funding	
8.	Facility-based units; Capital Development Projects not yet opened (Housing Units)						
9.	Stewardship Units subject to 3 or 10 year use agreements						
10.	Total Housing Developed (Sum of Rows 7 & 9)						
	Supportive Services	[1] Output Households				[2] Output: Funding	
11a.	Supportive Services provided by project sponsors/subrecipient that also delivered HOPWA housing subsidy assistance	166	155			53,179	46,587
11b.	Supportive Services provided by project sponsors/subrecipient that only provided supportive services.	7	7				
12.	Adjustment for duplication (subtract)		6				
13.	Total Supportive Services (Columns a.-d. = the sum of Rows 11 a.-b. minus Row 12; Columns e.-f. = the sum of Rows 11a.-11b.)	173	156			53,179	46,587
	Housing Information Services	[1] Output Households				[2] Output: Funding	
14.	Housing Information Services	81	86			4,336	4,336
15.	Total Housing Information Services	81	86				
	Grant Administration and Other Activities	[1] Output Households				[2] Output: Funding	
16.	Resource Identification to establish, coordinate and develop housing assistance resources						
17.	Technical Assistance (if approved in grant agreement)						
18.	Grantee Administration (maximum 3% of total HOPWA grant)					21,861	21,861
19.	Project Sponsor Administration (maximum 7% of portion of HOPWA grant awarded)					52,945	40,220
20.	Total Grant Administration and Other Activities (Sum of Rows 17 – 20)					74,806	62,081
	Total Expended					[2] Outputs: HOPWA Funds Expended	
						Budget	Actual
21.	Total Expenditures for program year (Sum of Rows 7, 10, 13, 15, and 20)					746,694	627,823

PART 4: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Overview

This report describes the use of the state's CDBG funds during its July 1, 2014, through June 30, 2015, program year, and assesses how that use accomplishes the priorities identified in the state's 2014 Action Plan. The state's CDBG resources are divided into specific funds to target investment towards local and state priorities in collaboration with funding partners. The state's annual Action Plan contains a description of each CDBG fund, including application requirements and award processes (method of distribution), and is available on Commerce's website at www.commerce.wa.gov/cdbg.

The CDBG program uses its financial and staff resources to develop strong partnerships with local governments to build reliable and sustainable infrastructure, grow economies, and result in vibrant communities (Commerce Results). A project must rank high in comparison to other similar projects on a state and local level using the following priorities:

1. The project addresses a public health and safety issue.
2. It improves essential services to low- and moderate-income persons.
3. It completes a necessary and specific step in a broader community and economic development strategy.

CDBG can fund a wide range of local community development needs, broadly grouped as public health and safety, community services, housing, and economic development. The total of CDBG funding and percentage of the total for 2014 funds by local community development need are listed below.

Community Development Need	Funding Total	Percentage of Total
Public Health and Safety	\$7,915,622	67%
Community Services	\$3,000,000	25%
Housing	\$935,000	8%
Economic Development	\$0	0%
Total	\$11,850,622	100%

In 2014, the CDBG program made progress toward meeting HUD and Commerce goals and objectives. Accomplishments include:

- Awarding \$935,000 for infrastructure in support of low-income affordable housing and a homeless shelter in rural communities.
- Awarding more than 67 percent of its funds to enhance suitable living environments and address public health and safety issues facing lower income rural communities.
- Adjusting funding policies and technical assistance levels, and re-organizing program functions and staffing as a result of decreases in the federal CDBG allocation and state

budget, while still effectively assisting rural communities to access and manage CDBG funding.

- Leading development of the Phase 1 proposal in the National Disaster Resiliency Competition and being selected to submit Phase 2 for HUD's funding consideration.

Use of CDBG Funds in 2014

The following table compares CDBG fund allocations and the number of projects funded between 2013 and 2014.

2013-2014 Summary of Funds Allocation

CDBG Program Grant Type	2013 Funds Allocated in Action Plan, as amended	2013 Funds Awarded (# of Grants)	2014 Funds Allocated in Action Plan, as amended	2014 Funds Awarded (# of Grants)
General Purpose	\$10,000,000	\$10,005,787 (15)	\$9,500,000 (14)	\$9,929,947 (17)
Housing Enhancement	\$200,000	\$0	\$200,000 (1)	\$0
Imminent Threat	\$100,000	\$100,000 (1)	\$100,000 (2)	\$156,675 (2)
Planning-Only	\$400,000	\$400,000 (17)	\$400,000 (18)	\$264,000 (11)
Public Services	\$1,500,000	\$1,500,000 (17)	\$1,500,000 (17)	\$1,500,000 (17)
Economic Opportunity	9,000,000	N/A	\$7,000,000 (10)	\$0
Supplemental	\$110,000	\$315,000 (3)	\$110,000 (2)	\$0
Sub-Total:	\$21,310,000	\$12,220,787 (52)	\$18,810,000	\$11,850,622 (47)
HUD Award	<i>Anticipated</i> \$11,671,256	Actual \$11,671,256	<i>Anticipated</i> \$11,195,184	Actual \$11,195,184
Administration/ Technical Assistance	(\$450,138)	(\$450,138)	(\$435,856)	(\$435,856)
Available for grants from 2013 allocation	\$11,221,118	\$11,221,118	\$10,759,328	\$10,759,328
2013 Contingency Funds	\$329,278	\$999,669	\$1,400,000	\$1,163,694
Total Funds Made Available for Grants	2013 \$11,550,396	2013 \$12,220,787	2014 \$12,159,328	2014 \$11,923,022
Applications Received		\$25,425,300 (80)		\$24,516,675 (75)

The following pages list the assisted community projects by each CDBG grant fund.

2014 General Purpose Grants

The CDBG General Purpose Grant program follows an annual statewide competitive application process to fund local projects demonstrating an urgent need, readiness to proceed, and the capacity to manage the project to completion and results commensurate with public investment. Thirty- nine applications for 2014 General Purpose Grants were received, with requests totaling over \$24 million. Applications were separated into similar types of projects and rated and scored against each other. A consistency review was conducted to evaluate overall consistency in scoring between the sub-groups. Applicants not selected for funding were offered a debriefing and technical assistance on the development and alternative financing of their projects. Seventeen General Purpose Grants were awarded in 2014.

Jurisdiction	Type of Project	Funding
Aberdeen	Community Facility: Homeless Shelter	750,000
Chelan County	Public Facility: Fire Station	630,000
Ellensburg	Housing: Infrastructure for Affordable Housing	325,000
Grandview	Comprehensive: Street and Water System	750,000
Kettle Falls	Community Facility: Library	750,000
Mabton	Public Facility: Water Reservoir	1,000,000
North Bonneville	Public Facility: Sewer Systems	350,000
Okanogan	Public Facility: Sewer Systems	100,000
Pe Ell	Public Facility: Street Improvements	800,000
Royal City	Housing: Infrastructure for Farmworker Housing	110,000
South Bend	Public Facility: Sewer Systems	677,600
Springdale	Public Facility: Sewer Systems	541,500
Toledo	Public Facility: Water Reservoir	725,000
Tonasket	Public Facility: Sewer Systems	521,600
Toppenish	Comprehensive: Street and Water System	399,247
Whatcom County	Housing Rehabilitation	500,000
Yakima County	Public Facility: Fire Station	1,000,000
TOTALS		9,929,947

2014 Housing Enhancement Grants

Housing Enhancement Grants fill a financial gap in a larger project selected for funding by the state's Housing Trust Fund (HTF) program. Typically the CDBG funds are used for off-site infrastructure costs or improvements to the site not eligible for HTF funding and where CDBG funds are critical to the viability of the affordable housing project's success. HTF funding was severely limited in 2014, and as a result no Housing Enhancement Grants were awarded in 2014.

2014 Imminent Threat

CDBG provides funding for interim solutions to problems of an urgent nature that have a potential for impacting public health and safety in ways that cannot be effectively addressed through the General Purpose Grant application. Funds are awarded when there is an immediate and urgent threat that could not have been anticipated, and there is no other viable source of funds to make temporary repairs needed. Two CDBG Imminent Threat Grants were awarded.

Jurisdiction	Type of Project	Funding
Morton	Public Facility: Water Reservoir	75,000
Wilson Creek	Public Facility: Water Reservoir	81,675
TOTAL		156,675

2014 Planning-Only Grants

Planning-Only Grants support a low-income community's efforts to prepare for change, consult with locals and professionals, develop good ideas within their own community, and plan the implementation of priority projects. Fifteen applications were received for Planning-only funding for a total of \$360,000. Eleven projects were selected for funding.

Jurisdiction	Type of Project	Funding
Colville	Economic Development Plan	24,000
Island County	Homeless Coordinated Entry Plan	24,000
Kahlotus	Wastewater Facility Plan	24,000
Klickitat County	Wastewater Facility Plan	24,000
Lewis County	Water System Plan Update	24,000
Mattawa	Wastewater Facility Plan	24,000
Northport	Well Improvement Report	24,000
Othello	Comprehensive Plan Update	24,000
Pomeroy	Reservoir Replacement Plan	24,000
Wapato	Urban Growth Area Feasibility Study	24,000
Winlock	Water System Plan Update	24,000
TOTAL		264,000

2014 Public Services Grants

CDBG provided funding to 17 rural counties to provide services to low- and moderate-income persons through a partnership with local community action programs. The formula for allocating these grants ensures all CDBG non-entitlement areas of the state would have access to CDBG public services funding. The grants focused on expanding existing services to new clients,

improving services and service delivery or providing new services. Services provided are essential to help low-income persons gain the skills and abilities to move into self-sufficiency.

Jurisdiction	Type of Project	Funding
Asotin County	Public Service	37,927
Benton County	Public Service	65,662
Chelan County	Public Service	59,697
Cowlitz County	Public Service	69,618
Grant County	Public Service	129,070
Grays Harbor County	Public Service	110,887
Jefferson County	Public Service	99,249
Kittitas County	Public Service	83,359
Klickitat County	Public Service	70,798
Lewis County	Public Service	98,945
Okanogan County	Public Service	81,414
Skagit County	Public Service	57,236
Stevens County	Public Service	97,191
Walla Walla County	Public Service	46,835
Whatcom County	Public Service	122,118
Whitman County	Public Service	102,384
Yakima County	Public Service	167,610
TOTAL		1,500,000

2014 Economic Opportunity

CDBG provides funding for local and state prioritized CDBG eligible activities with high local/regional impact that leverage funding and are ready to proceed through the Economic Opportunity Grant application. The Economic Opportunity Grants are funded from a re-purposed CDBG program income account. Funds support partnership between the local government and a statewide Community Based Development Organization (CBDO) that results in ongoing economic development. Assistance to CBDOs is the priority eligible CDBG activity [Section 105(a)(15) entity]. While extensive technical assistance was provided, no CDBG Economic Opportunity Grants were awarded in 2014.

Geographic Allocation

The state CDBG Program awards grants to rural cities, towns, and counties across the state. Eligible (non-entitlement) applicants are Washington State cities and towns with less than 50,000 in population or counties with less than 200,000 in population that are non-entitlement jurisdictions or are not participants in a HUD Urban County Entitlement Consortium. The entitlement counties and cities receive CDBG funds directly from HUD. The state CDBG Performance Evaluation Report 2014

program does not target specific geographic areas of the state. In 2014, CDBG funds were awarded to a county, city, or town in 22 of the 32 non-entitlement counties, successfully supporting projects throughout the state.

Leveraging of Resources

More than \$17 million was directly leveraged from other funds for the 2014 CDBG funded projects. This represents more than a 1:1.45 leveraging ratio. Funds leveraged come from a variety of federal, state, local, and private sources for directly related project costs, attesting to the CDBG program's ability and flexibility to build effective partnerships within the state's rural communities.

Benefit to Low- and Moderate-Income Persons

Low- and moderate-income is defined as 80 percent of county median income. The state CDBG program must ensure that at least 70 percent of CDBG expenditures are for activities that principally benefit low- and moderate-income persons. More than 94 percent of CDBG expenditures in 2014 were for activities principally benefiting low- and moderate-income persons. This **exceeds** the federal requirement and reflects the state's policy to target CDBG funds to communities with greater needs facing lower income persons.

Timely Use of Funds

HUD reviews the state CDBG Program for timeliness, in accordance with 24 CFR Part 570.494, and requires all funds be awarded/obligated within 15 months of the state signing its grant agreement with HUD. The state CDBG program will have obligated 100 percent of its 2014 CDBG allocation within the applicable period.

HUD also recommends the CDBG awards to local governments are expended in a timely manner, defined as both maintaining an:

- Unexpended balance to grant of less than 2.5. At the end of the program year, Washington State's ratio was in the top quarter of states at 1.81 in June 2014.
- Expenditure rate within the last 12 months to grant of at least 1.0. At the end of the program year, Washington State's ratio ranked tenth among all states at 1.06 in June 2014.

2014 Accomplishments from Prior Year Grants

On an ongoing basis, the CDBG program reports accomplishments received from local government grant recipients using HUD's IDIS reporting process. The following accomplishments from prior year grants were completed during the 2014 program year:

CDBG Accomplishment	Number	Unit
Public Services	29,715	Persons Receiving Direct Services
Neighborhood Facilities	10,872	Persons Benefiting
Water/Sewer Improvements	1,385	Persons Benefiting
Street Improvements	211	Persons Benefiting
Housing	201	Persons Benefiting

Race and ethnicity data on persons benefiting from CDBG projects is reported also through IDIS and is summarized for 2014 below.

Potential Program Changes

After assessing program performance, input from stakeholders/partners, administrative capacity, and funding results, the CDBG program is undertaking or considering the following:

- Adjusting the CDBG Economic Opportunity Grant application process to prioritize also economic recovery and stabilization through disaster related projects and services, and microenterprise assistance.
- Integrating management of the potential National Disaster Resiliency Competition award with current CDBG and Neighborhood Stabilization Program management functions.
- Developing on-line CDBG application capability to improve rural local governments' access to funding and streamline grant review efforts.

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2014 GRANT # B-14-DC-53-0001

GRANT AMOUNT : \$11,195,184.00
 PROGRAM ADMINISTRATIVE CAP : \$323,904.00
 TECHNICAL ASSISTANCE ADMINISTRATIVE CAP : \$111,952.00
 108 LOAN DEFAULT AMOUNT : \$0.00
 AMOUNT OBLIGATED TO RECIPIENTS : \$10,759,328.00
 AMOUNT DRAWN : \$0.00

2014 PROGRAM YEAR ACTIVITY \$12,291,774.65

PROGRAM EARNED :	\$176,555.00	SPENT :	\$176,555.00	FLOAT LOANS :	\$0.00	INTERIM FINANCING :	\$0.00
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	OBLIGATED	SPENT
TOTAL FUNDS:	\$12,291,774.65	\$2,179,259.27
PROGRAM ADMINISTRATION:	\$323,904.00	\$0.00
TECHNICAL ASSISTANCE:	\$111,952.00	\$0.00
PROGRAM INCOME ADMINISTRATION:	\$5,296.65	\$5,296.65
TOTAL PROJECTS UNDER CONTRACT:	\$11,855,918.65	\$2,179,259.27

PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$11,699,243.65	\$2,101,668.27
	URGENT NEED:	\$156,675.00	\$77,591.00
	SLUM/BLIGHT:	\$0.00	\$0.00

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2013 GRANT # B-13-DC-53-0001

GRANT AMOUNT : \$11,671,256.00
 PROGRAM ADMINISTRATIVE CAP : \$333,425.00
 TECHNICAL ASSISTANCE ADMINISTRATIVE CAP : \$116,713.00
 108 LOAN DEFAULT AMOUNT : \$13,538.75
 AMOUNT OBLIGATED TO RECIPIENTS : \$11,207,579.25
 AMOUNT DRAWN : \$5,892,591.45

2013 PROGRAM YEAR ACTIVITY \$11,833,856.26

PROGRAM EARNED :	\$116,890.70	SPENT :	\$116,890.70	FLOAT LOANS :	\$0.00	INTERIM FINANCING :	\$0.00
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	OBLIGATED	SPENT
TOTAL FUNDS:	\$11,833,856.26	\$7,245,841.89
PROGRAM ADMINISTRATION:	\$352,105.00	\$0.00
TECHNICAL ASSISTANCE:	\$116,713.00	\$29,219.29
PROGRAM INCOME ADMINISTRATION:	\$3,506.00	\$3,506.00
TOTAL PROJECTS UNDER CONTRACT:	\$11,365,038.26	\$7,216,622.60

PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$11,365,038.26	\$7,216,622.60
	URGENT NEED:	\$0.00	\$0.00
	SLUM/BLIGHT:	\$0.00	\$0.00

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2012 GRANT # B-12-DC-53-0001

GRANT AMOUNT : \$12,141,100.00
 PROGRAM ADMINISTRATIVE CAP : \$342,822.00
 TECHNICAL ASSISTANCE ADMINISTRATIVE CAP : \$121,411.00
 108 LOAN DEFAULT AMOUNT : \$14,681.30
 AMOUNT OBLIGATED TO RECIPIENTS : \$11,662,185.70
 AMOUNT DRAWN : \$12,141,110.00

2012 PROGRAM YEAR ACTIVITY \$13,588,569.16

PROGRAM EARNED : \$57.45	SPENT : \$57.45	FLOAT LOANS : \$0.00	INTERIM FINANCING : \$0.00
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OBLIGATED SPENT

TOTAL FUNDS: \$13,588,569.16 \$12,152,511.47
 PROGRAM ADMINISTRATION: \$342,822.00 \$342,822.00
 TECHNICAL ASSISTANCE: \$121,411.00 \$121,411.00
 PROGRAM INCOME ADMINISTRATION: \$0.00 \$0.00
 TOTAL PROJECTS UNDER CONTRACT: \$13,124,336.16 \$11,688,278.47

PROJECT TOTALS BY NATIONAL OBJECTIVE
 LOW MODERATE: \$13,124,336.16 \$11,688,278.47
 URGENT NEED: \$0.00 \$0.00
 SLUM/BLIGHT: \$0.00 \$0.00

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2011 GRANT # B-11-DC-53-0001

GRANT AMOUNT : \$14,093,993.00
 PROGRAM ADMINISTRATIVE CAP : \$381,880.00
 TECHNICAL ASSISTANCE ADMINISTRATIVE CAP : \$140,940.00
 108 LOAN DEFAULT AMOUNT : \$0.00
 AMOUNT OBLIGATED TO RECIPIENTS : \$13,571,173.00
 AMOUNT DRAWN : \$14,093,993.00

2011 PROGRAM YEAR ACTIVITY \$16,293,262.37

PROGRAM EARNED : \$4,741,601.27 SPENT : \$4,741,601.27 FLOAT LOANS : \$0.00 INTERIM FINANCING : \$0.00

	OBLIGATED	SPENT
TOTAL FUNDS:	\$16,293,262.37	\$16,169,799.43
PROGRAM ADMINISTRATION:	\$381,880.00	\$381,880.00
TECHNICAL ASSISTANCE:	\$140,940.00	\$140,940.00
PROGRAM INCOME ADMINISTRATION:	\$94,830.00	\$94,830.00
TOTAL PROJECTS UNDER CONTRACT:	\$15,770,442.37	\$15,646,979.43

PROJECT TOTALS BY NATIONAL OBJECTIVE

LOW MODERATE:	\$15,770,442.37	\$15,646,979.43
URGENT NEED:	\$0.00	\$0.00
SLUM/BLIGHT:	\$0.00	\$0.00

STATE OF WASHINGTON CDBG FINANCIAL DATA

FEDERAL FISCAL YEAR 2010 GRANT # B-10-DC-53-0001

GRANT AMOUNT : \$16,779,154.00
 PROGRAM ADMINISTRATIVE CAP : \$435,583.00
 TECHNICAL ASSISTANCE ADMINISTRATIVE CAP : \$167,791.00
 108 LOAN DEFAULT AMOUNT : \$0.00
 AMOUNT OBLIGATED TO RECIPIENTS : \$16,175,780.00
 AMOUNT DRAWN : \$16,779,154.00

2010 PROGRAM YEAR ACTIVITY \$17,860,922.11

PROGRAM EARNED :	\$923,955.58	SPENT :	\$923,955.58	FLOAT LOANS :	\$0.00	INTERIM FINANCING :	\$0.00
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	OBLIGATED	SPENT
TOTAL FUNDS:	\$17,860,922.11	\$17,860,922.11
PROGRAM ADMINISTRATION:	\$435,583.00	\$435,583.00
TECHNICAL ASSISTANCE:	\$167,791.00	\$167,791.00
PROGRAM INCOME ADMINISTRATION:	\$9,337.71	\$9,337.71
TOTAL PROJECTS UNDER CONTRACT:	\$17,257,548.11	\$17,257,548.11

PROJECT TOTALS BY NATIONAL OBJECTIVE	LOW MODERATE:	\$17,257,548.11
	URGENT NEED:	\$0.00
	SLUM/BLIGHT:	\$0.00

PART 5: CDBG-SUPPORTED ECONOMIC DEVELOPMENT LOAN FUNDS

Section 108 Loan Guarantees

Section 108 is the loan guarantee provision of the CDBG program. Section 108 provides communities with a source of financing for economic development, public facility, and large-scale physical development projects. Regulations governing the Section 108 program may be found at 24 CFR 570, Subpart M, “Loan Guarantees.”

Although a pledge to back a loan-guaranteed project does not immediately reduce the state’s CDBG allocation, future payment defaults with guaranteed loans result in the reduction of the state’s annual CDBG award. Reductions to the state’s annual award are absorbed, if possible, by the Contingency Fund.

The state pledged \$10.42 million for the Loan Guarantees for the 2014 program year. Due to the lack of demand, alternative financing options, loss of loan management capacity, and risk associated with Section 108 loan guarantees, Commerce has opted to discontinue the program for new loan guarantees.

Section 108 Loan Guarantees in 2014

Name	Location	Year	Original Amount	Balance as of 6/30/15	2014 CDBG Loss	Maturity Date
Maritime Center	Port Townsend	2001	\$1,000,000	\$580,000	\$0	8/1/2021
Total Currently Obligated:				\$580,000		

PART 6: EMERGENCY SOLUTIONS GRANTS (ESG) PROGRAM

Assessment of Progress Toward Ending Homelessness

The primary outcome measure of the Washington State Homeless Plan is the number of homeless persons counted at a point in time. In January of 2015, the total homeless (sheltered and unsheltered) counted at a point in time were 19,418. This is a 12 percent decrease from the initial 2006 count.

Contributing to the desired outcome of significant reductions in the number of people homeless are the following outputs:

- 18 percent increase in temporary or permanent supportive homeless beds since 2007
- 3,250 previously homeless households receiving rental assistance at a point in time.
- 3,940 households provided temporary housing and services in 2014

The Balance of State ESG program, funded annually at about \$2 million is one resource that helps support the existing inventory of short-term and medium-term rental assistance, temporary shelter, and case management. Other resources such as the Washington State Consolidated Homeless Grant and document recording fees (which are collected by counties and spent locally) address the need for temporary beds as well as permanent supportive housing.

Other Accomplishments

The state and local governments are making significant investments in a statewide Homeless Management Information System (HMIS) that was implemented in 2009. The following measures are available statewide.

- Percentage of homeless families provided rental assistance that exit to stable housing: 83 percent
- Number and percentage of homeless families who have earned income at time of exit from homeless housing and services: 47 percent

Continuum of Care

Commerce is the lead organization for the Washington Balance of State Continuum of Care (CoC), which consists of the 33 least populated counties in the state. Our performance continues to keep our CoC competitive in the national competition.

Major new investments within the CoC over the past eight years have resulted in large increases in housing resources serving chronically homeless individuals. Over the past year, we were able to create 262 new permanent supportive housing beds, 100 of which are designated for chronically homeless individuals.

The national target for percentage of homeless persons moving from transitional housing to permanent housing is at least 65 percent. We were able to achieve our goal of 80 percent. We were also able to achieve our employment target. We projected that 18 percent of homeless persons would be employed at exit and met that goal.

Lastly, despite the economic recession we were able to reduce family homelessness in the CoC. The number of homeless families was reduced from 647 to 617.

Commerce collaborates with other agencies in the state, creating committees that facilitate the involvement of local continuums with assisting clients in accessing mainstream resources as well as develop protocols for placement of individuals discharged from public institutions into housing rather than homelessness. The CoC has continued to include broader participation in planning for statewide activities through the continuum of care process by including other CoC coordinators in statewide issues and discussions.

Commerce also coordinates the annual Point-in -Time count of homeless persons for the Continuum and the entire state of Washington. As the lead HMIS agency, Commerce continues to expand HMIS bed coverage of homeless service providers in the Continuum and advises and assists local continuums on the creation and execution of their own comprehensive homeless plans.

Leveraging Resources and Match

In 2014, Commerce's ESG funded eligible activities of the emergency shelter, homelessness prevention, rapid re-housing assistance components. Activities included case management, shelter operations, financial assistance costs, services costs and short-term and medium-term rental assistance. Funds are matched with Washington State's Consolidated Homeless Grant, local (RCW 36.22.179-1791 and RCW 36.22.178) funds and private funds, annually at a 1:1 ratio for the same activities.

Self-Evaluation Specific to ESG

When the Emergency *Solutions* Grant was first implemented in 2012 Commerce awarded ESG funds to past HPRP sub recipients and state resources (Consolidated Homeless Grant) to local governments in order to simplify the administration of these federal dollars. The experience of agencies that previously administered HPRP with both rapid re-housing and prevention assistance, as well as federal funding, allowed for a smooth transition from the old Emergency *Shelter* Grant program to the Emergency *Solutions* Grant program. In 2014 the ESG grant funding process was modified to reduce the number of recipients and consolidate Commerce program administration in each county. Consolidated Homeless Grant (CHG) agencies were offered the grant in the 12 largest counties in the state. CHG agencies that declined the ESG grant were allowed to designate a recipient in their county as agreed upon by the local continuum of care. To date, this has streamlined the business administration of Commerce's homeless program and paved the way for a more consolidated approach to homeless grant management within the Community Services and Housing Division. Sub-grantee data collection, reporting, and funds draw down is simplified. We expect sub-grantee compliance with program guidelines and procedures to improve.

All homeless assistance programs funded by ESG and Consolidated Homeless Grant dollars in the Balance of State are reliably entering data about clients served by these dollars in HMIS. During the last couple of years, Commerce has focused its HMIS resources on increasing HMIS bed coverage and data quality. HMIS now covers 100 percent of all Commerce and HUD-funded homeless service programs across the state.

The HMIS also yields important information on program and project performance, which is tied directly into the Washington State Ten Year Plan to End Homelessness. Measures regularly tracked using HMIS include destination at exit, changes in household income between entry and exit, percent of households exiting with incomes above the federal poverty income, and the state self-sufficiency income. Data collected now is laying the foundation for being able to measure return to homelessness, and the flow of homeless people between state social service programs, law enforcement, and corrections.

The state regularly integrates HMIS data into a state data warehouse containing social service, health, criminal justice, veterans, and employment data. This ongoing integration effort is beginning to yield important information on how the larger system supports and impedes our efforts to eliminate homelessness.